

*City*  
*of* Asheville  
North Carolina



# City of Asheville Water System Study

February 16, 2012



# Overview of the Process



- Study Bill introduced in the 2011 legislative session to study the history and current operational aspects of the Water System. There are three possible outcomes:
  - City of Asheville continues to operate the System (i.e. no change)
  - Water System is transferred to the Metropolitan Sewerage District
  - An independent authority is created to manage the system
- January 23, 2012: First Study Committee meeting
- February 23: Public meeting at the WNC Agric. Center
- April: Possible decision made

# The Current System



- The Water System, currently operated by the City of Asheville, covers the entire City; ~27% of Buncombe County outside the City; and ~2% of Henderson County
  - Water System Bond Rating: Aa3, AA
- 20,000 acres of protected watershed in Buncombe County
- Two reservoirs holding roughly 7 billion gallons of stored water
- Two water treatment facilities treating water from those reservoirs
- One “run of river” water treatment facility located along the Mills River in Henderson County
- Permitted treatment capacity of 43.7 million gallons per day
- Average daily demand of about 21 million gallons per day
- System Service Area – 183 square miles
- 1,661 miles of water lines



# Water Resources Dept.



•The Water Resources Department has 7 Divisions with a total of 146 employees:

- Administration – 7 employees
- Customer Service – 22 employees
- Engineering – 8 employees
- Maintenance – 50 employees
- Meter Services – 18 employees
- Production – 41 employees

# North Fork Reservoir

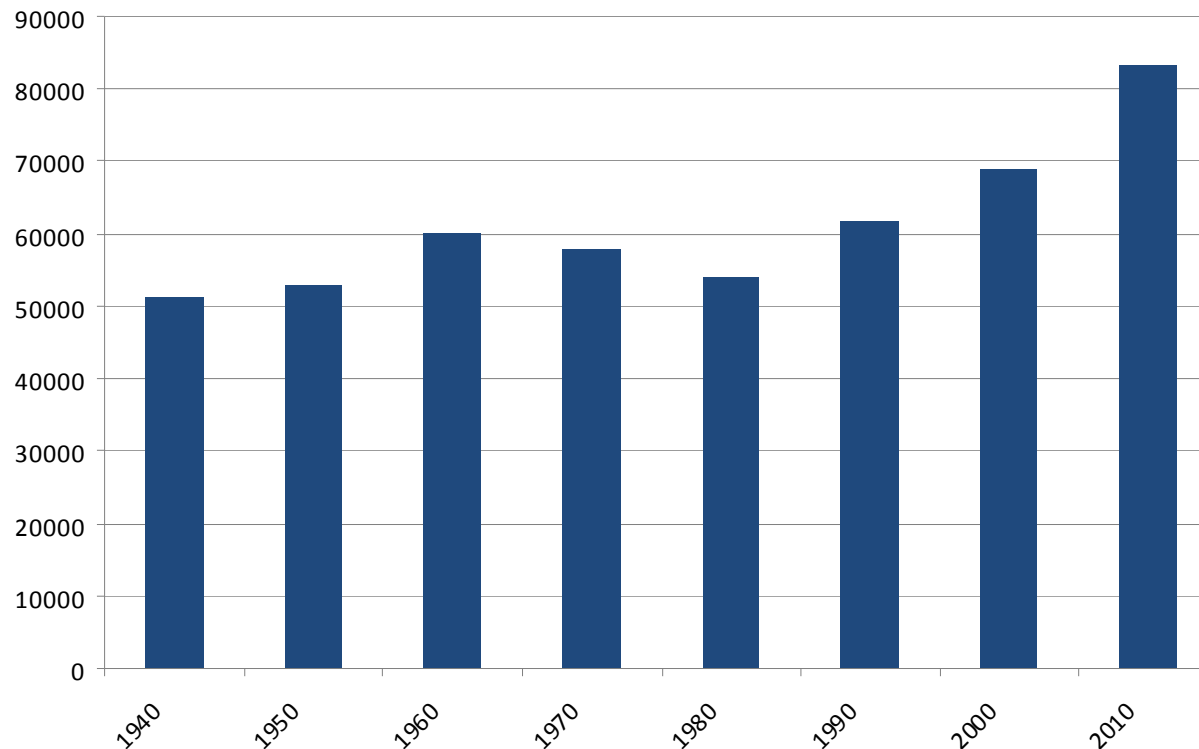


# City of Asheville Population



From 1950-2000, Asheville captured 10.75% of the population growth in the county; state average of 53.33% for the nine largest cities in NC.

**Asheville City Population (Census/Estimate)**



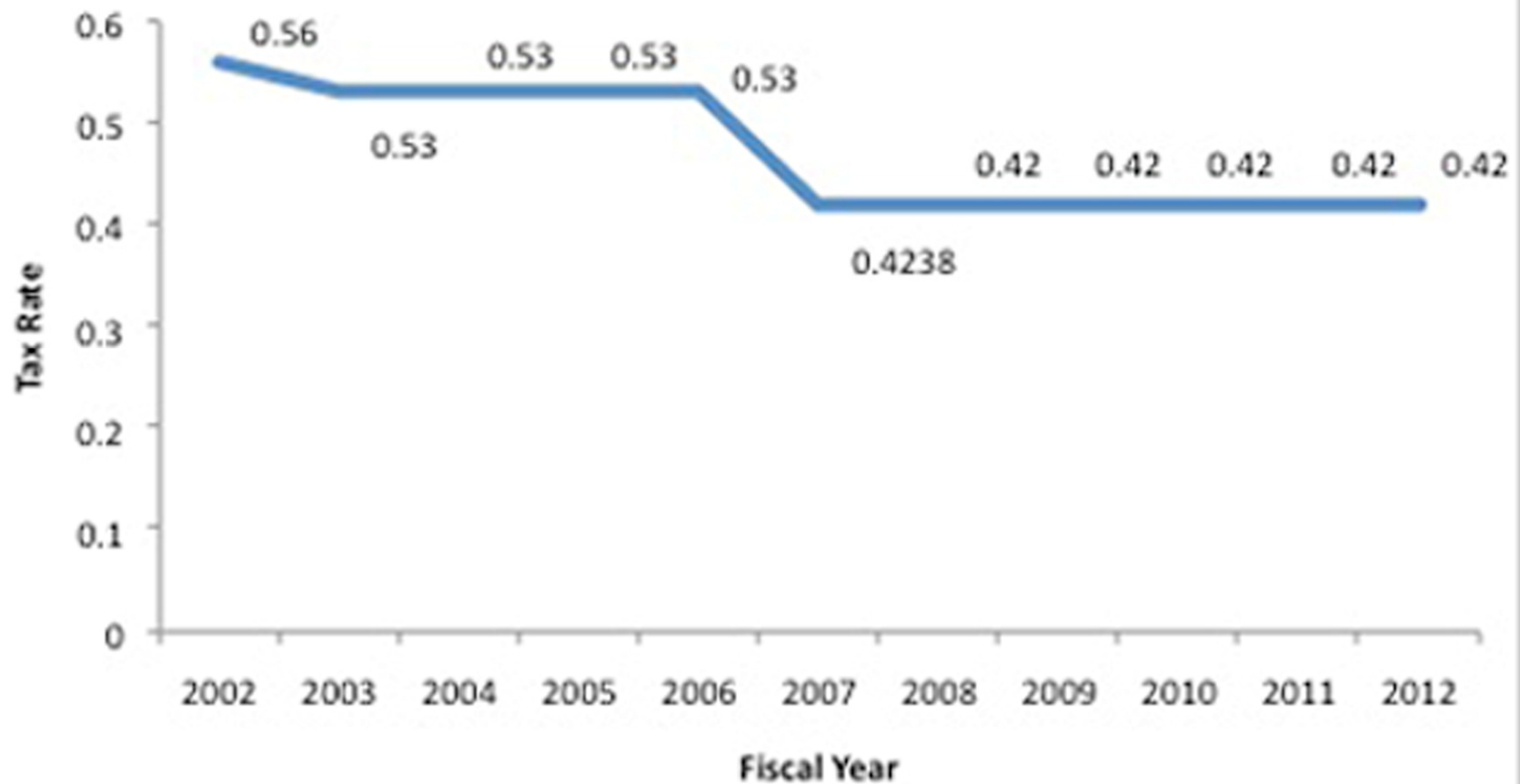
*State Agency Data: Office of the Governor*

Year	Population
1940	51,310
1950	53,000
1960	60,185
1970	57,929
1980	54,022
1990	61,855
2000	68,889
2010	83,393

# Fiscal Responsibility: Tax Rate



## Ten Year Property Tax Rate

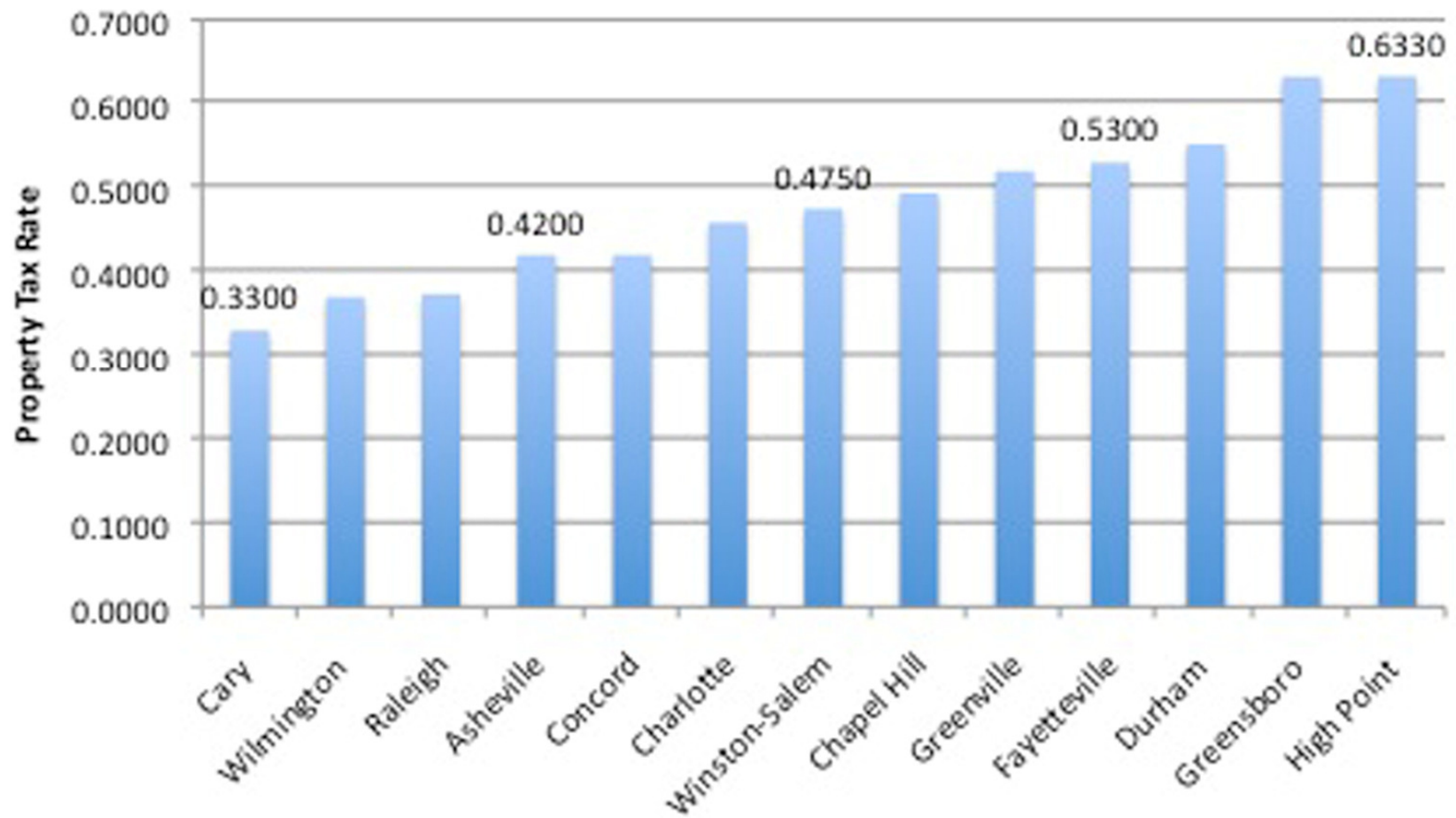




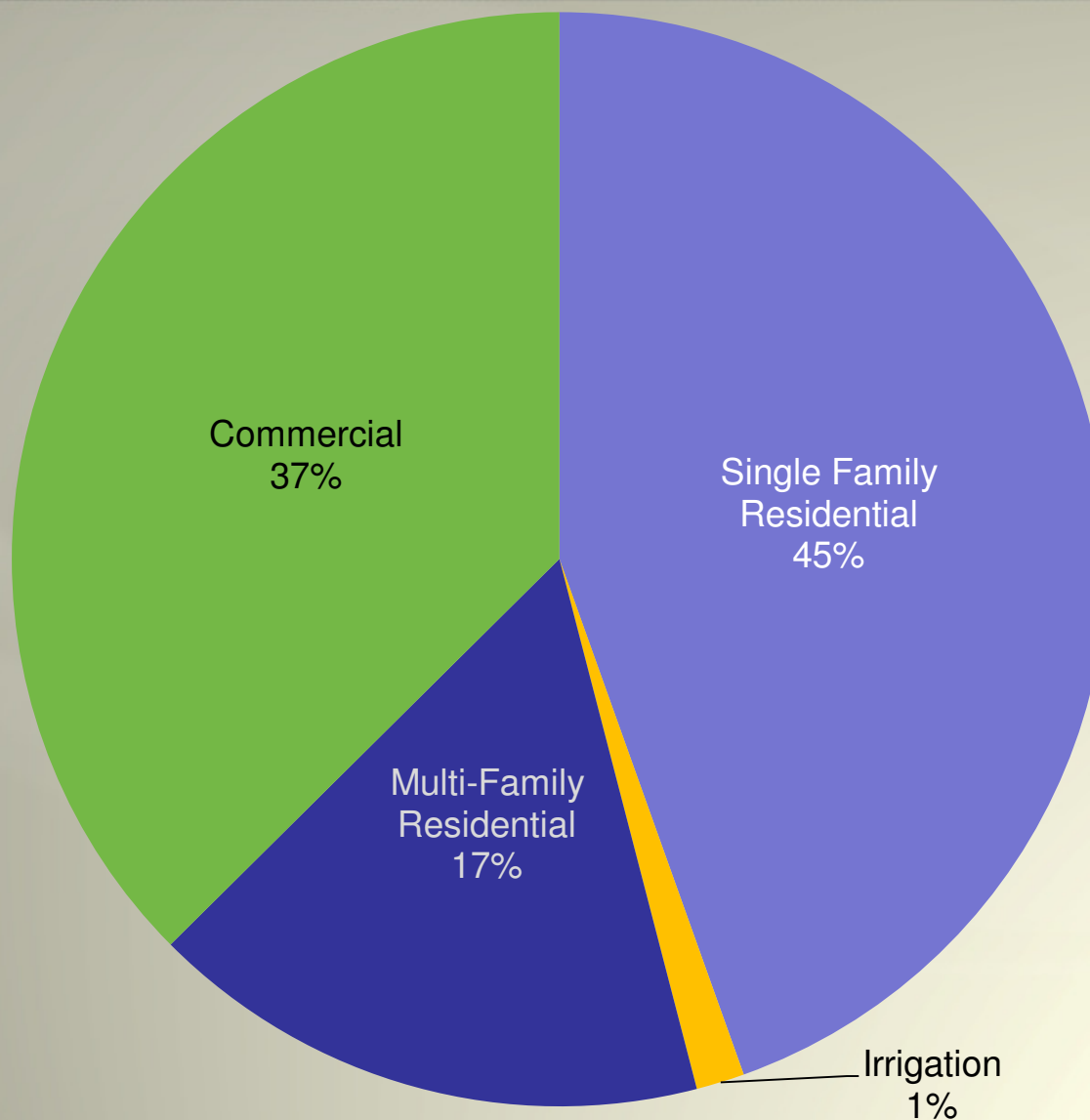
# Fiscal Responsibility: Tax Rates in NC



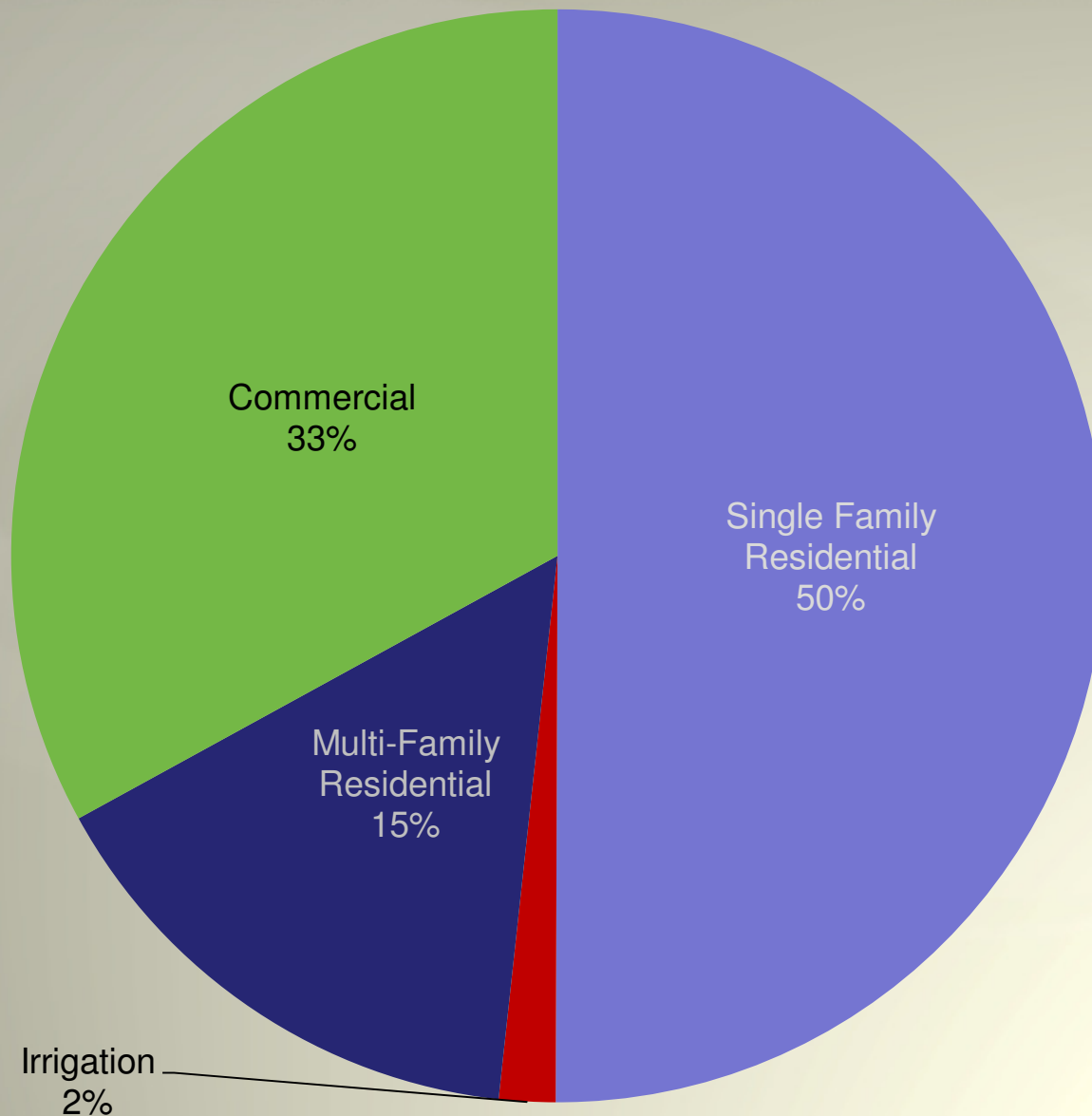
## Property Tax Comparison (FY 2010-11)



# Percentage of Water Usage by Rate Class FY '11



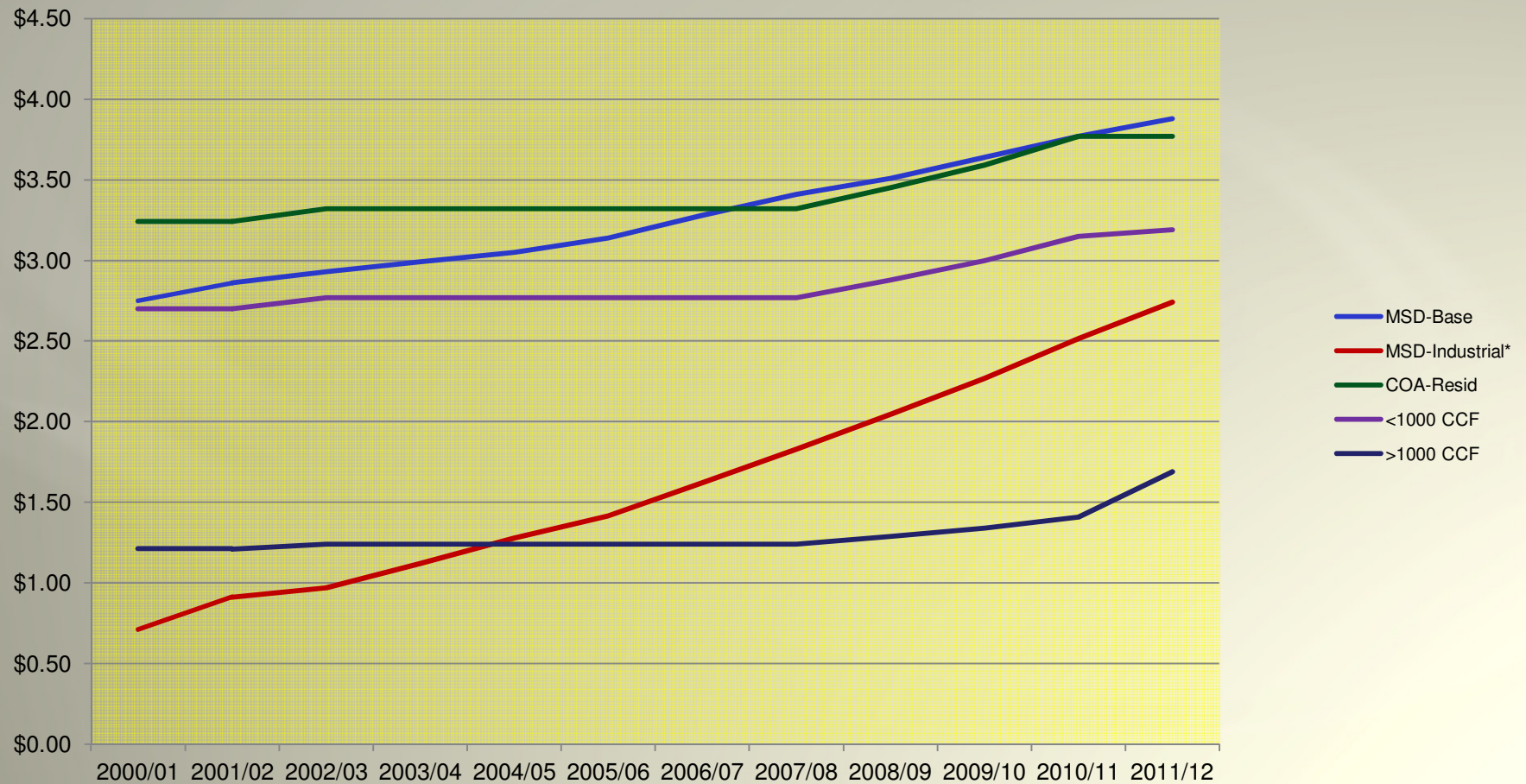
# Percentage of Revenue by Rate Class FY '11



# Per CCF Rate Comparison

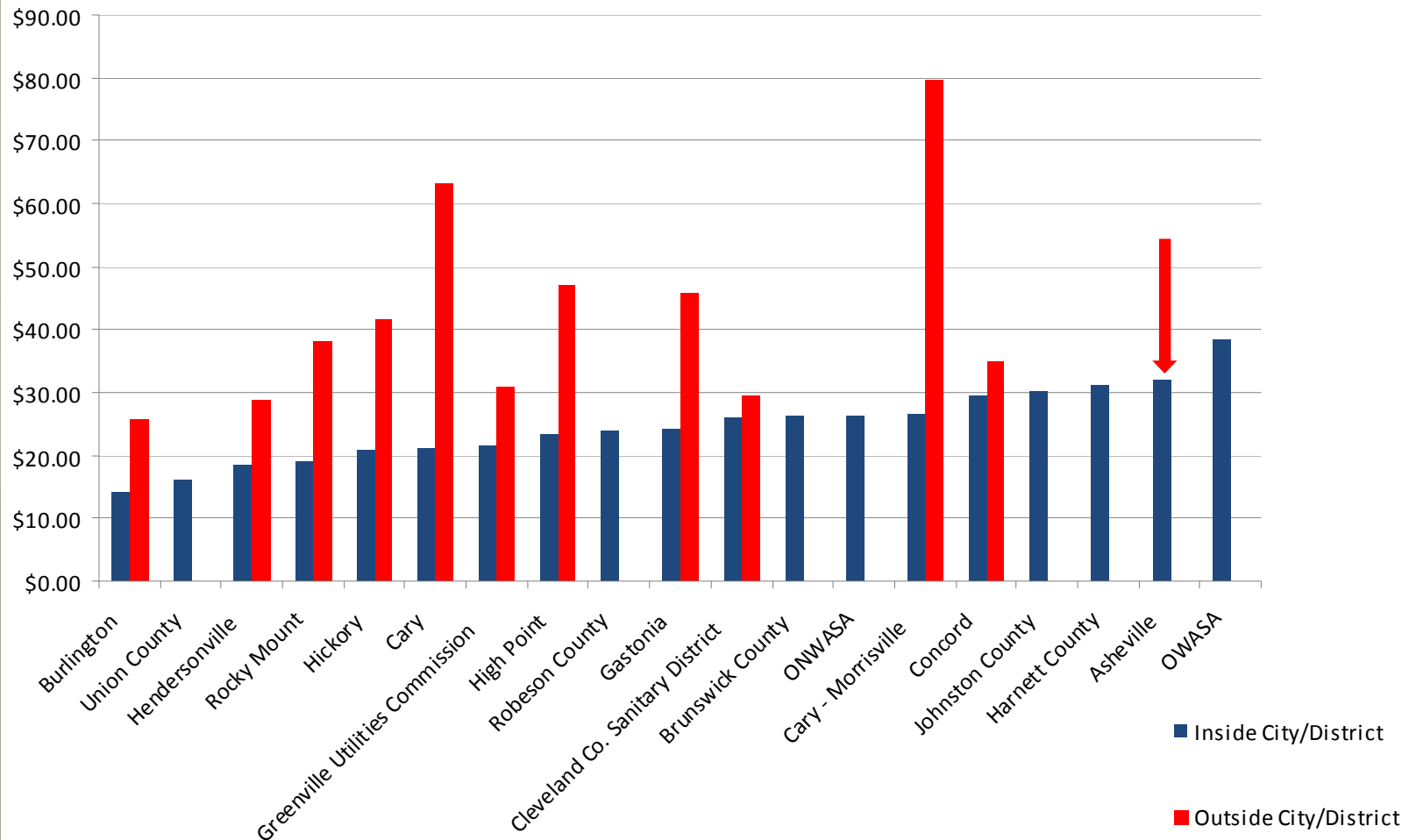


Rate History per CCF Comparison MSD vs COA FY 2001 to FY 2012



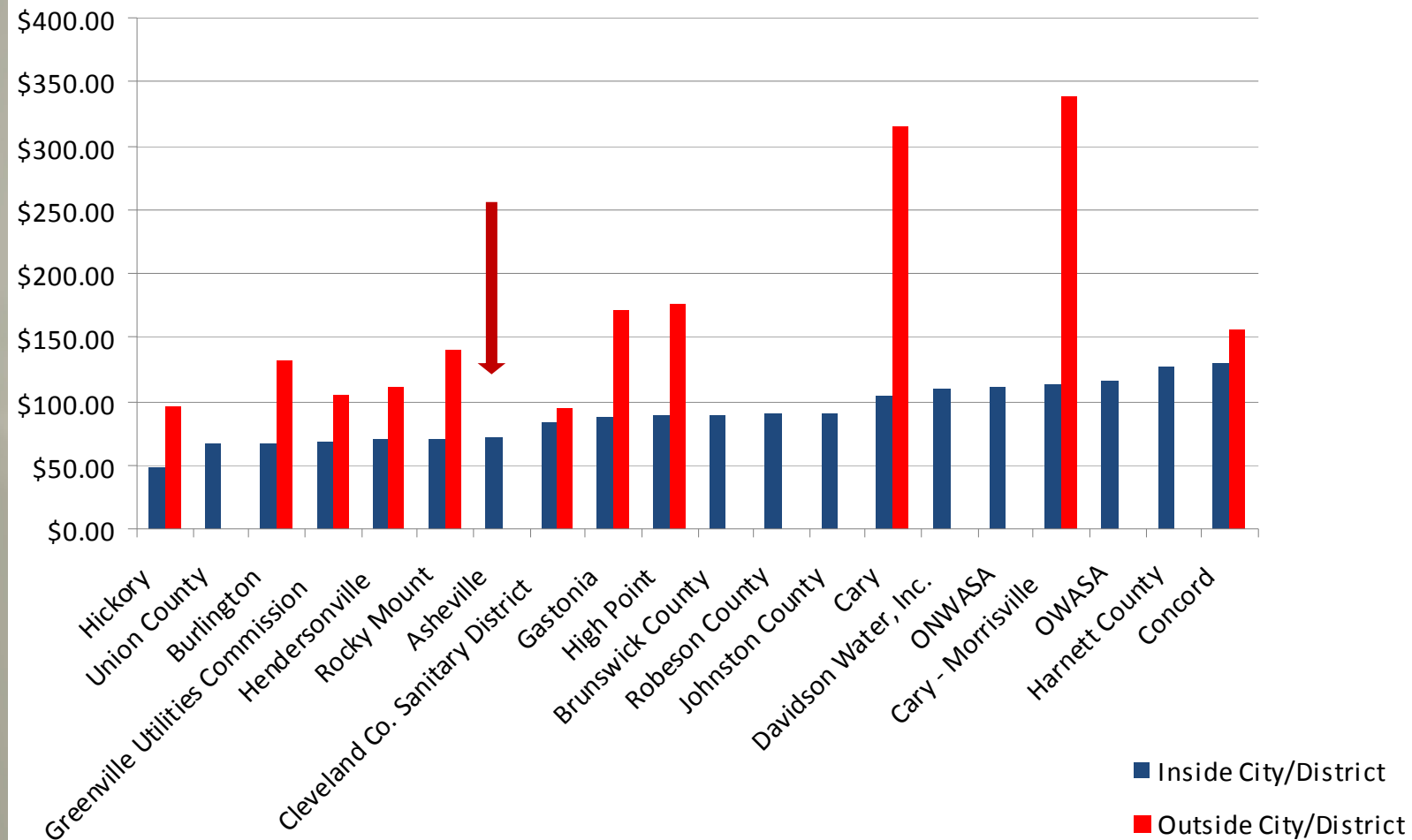


# FY10-11 Monthly-Equivalent RESIDENTIAL WATER Bills: 5,000 Gallons Consumption



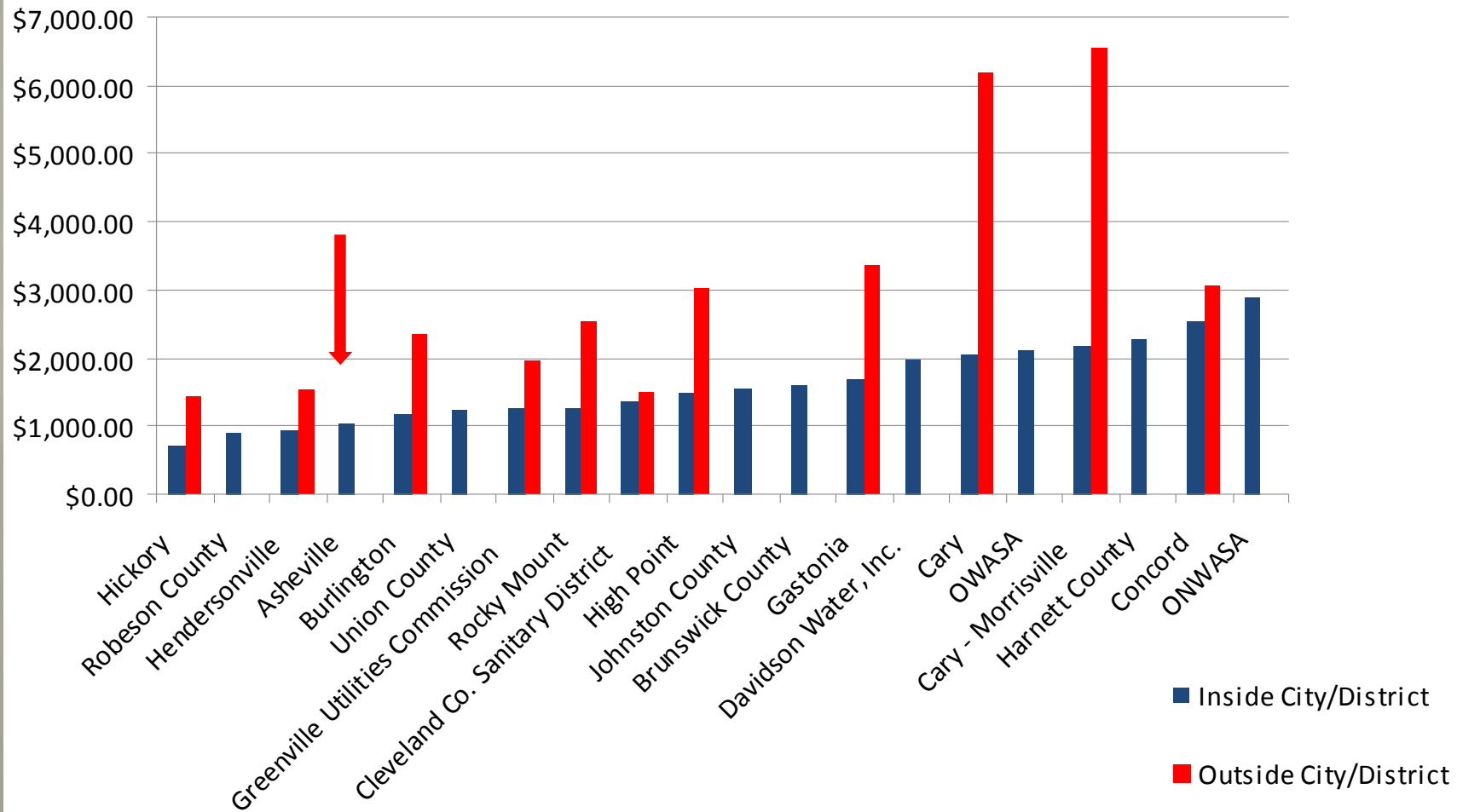
Data Source: UNC-CH Environmental Finance Center: Service Population 50,000 - 150,000

# FY10-11 Monthly-Equivalent COMMERCIAL WATER Bills: 25,000 Gallons per month



Data Source: UNC-CH Environmental Finance Center : Service Population 50,000 - 150,000

# FY10-11 Monthly-Equivalent COMMERCIAL WATER Bills: 500,000 Gallons per month



Data Source: UNC-CH Environmental Finance Center : Service Population 50,000 - 150,000

# City Management



## **Enterprise Fund for Water Operations**

- Department of the City of Asheville
- Utility Fund Forecast (Rate Model) For 5 Years
- Utility Fund capital plans based on: required NCDOT Projects, City Council Initiatives, Brown and Caldwell's 2006 Capital Improvement Plan, JJ&G's 2009 Water Master Plan, and needs prioritized by the Computerized Maintenance Management System

## **City Operations Consistently Recognized for Excellence**

- Water Resources ISO 14001 Environmental Management System
- Accredited Fire, Police and Parks & Recreation Departments
- Outstanding Planning Award for Open Space and Historic Resources
- GFOA National Recognition for Budget and Comprehensive Financial Reporting



# Third Party Assessments



“The staff of Asheville’s Water Resources Department has been **proactive in planning** for their future financial needs to pay for capital investment in their system as well as to **operate and maintain those assets that are currently in place in order to continue to provide high quality service**. Equitable recovery of costs has been a key objective in their proactive financial planning.”

*Raftelis Financial Consultants*

“They stand out for their **excellent stewardship** of the water resources of the Asheville, Buncombe and Henderson County region. Their industry leading practices include a fully developed asset management program that has resulted in a **stable rate structure and high reliability**—two factors that are key to economic development of the area.”

*Rick Carrier, Vice President, Brown and Caldwell*

“As I worked with the City of Asheville on a Water System Master Plan, the City’s goal was apparent -- **provide a high level of service to customers**, while keeping rates affordable for all. Asheville staff strived with enthusiasm to meet that goal.”

*Jacobs Engineering (formerly Jordan, Jones & Goulding), Eric Nease, P.E.*

“The Asheville Water Resources Department continues to maintain a **highly effective environmental management system** under the ISO 14001 International Standard. The recent audit of the system confirms a high level of competence and commitment to environmental excellence throughout the department.”

*Charles Lee, NSF Lead Auditor, following our 2011 ISO 14001 annual audit*

“**Employees possess high levels of certification and have been recognized for excellence.**”

“Confidence in the Utility’s **ability to use resources wisely, to cut costs and provide quality service** has gained support within the business and commercial community for funding infrastructure replacement.”

*QualServe Peer Review Team*

# Closing Comments



- Appropriate and experienced management team in place
- Consistent Moderate Growth of Water System Demand
- Excellent Financial Condition
- Consistent investment in water system infrastructure
- Manageable Capital Needs with a Comprehensive Capital Improvement Plan

# Next Steps



- City Council's consideration of a resolution
- Continue to provide input to the Study Committee
- Educate citizens on the process
- Continue cooperation with the Municipal Sewerage District (MSD)

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